

CERTIFICATE NUMBER
CHI-000333518-00

PRODUCER

Marsh USA Inc.
800 Market Street, Suite 2600
St. Louis, MO 63101-2500

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER OTHER THAN THOSE PROVIDED IN THE POLICY. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES DESCRIBED HEREIN.

COMPANIES AFFORDING COVERAGE

b01950-state-GL8-02-03

COMPANY

A FEDERAL INSURANCE CO

INSURED

Canyon Fuel Company, LLC
6955 Union Park Center
Suite 540
Midvale, UT 84047

COMPANY**B****COMPANY**

C

COMPANY

D

COVERAGES

This certificate supersedes and replaces any previously issued certificate for the policy period noted below

THIS IS TO CERTIFY THAT POLICIES OF INSURANCE DESCRIBED HEREIN HAVE BEEN ISSUED TO THE INSURED NAMED HEREIN FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THE CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, CONDITIONS AND EXCLUSIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A	GENERAL LIABILITY	3711-00-10 ***\$500,000 general aggregate "per location"	07/31/02	07/31/03	GENERAL AGGREGATE	\$ * 500,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				\$ 500,000	
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				\$ 300,000	
	OWNER'S & CONTRACTOR'S PROT				\$ 300,000	
	<input checked="" type="checkbox"/> Includes XCU				EACH OCCURRENCE	\$ 50,000
					FIRE DAMAGE (Any one fire)	\$ 5,000
					MED EXP (Any one person)	\$
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT	\$
	<input type="checkbox"/> ANY AUTO					
	<input type="checkbox"/> ALL OWNED AUTOS					
	<input type="checkbox"/> SCHEDULED AUTOS					
	<input type="checkbox"/> HIRED AUTOS				BODILY INJURY (Per person)	\$
	<input type="checkbox"/> NON-OWNED AUTOS				BODILY INJURY (Per accident)	\$
					PROPERTY DAMAGE	\$
	GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT	\$
	<input type="checkbox"/> ANY AUTO					
					OTHER THAN AUTO ONLY:	
					EACH ACCIDENT	\$
					AGGREGATE	\$
	EXCESS LIABILITY				EACH OCCURRENCE	\$
	<input type="checkbox"/> UMBRELLA FORM				AGGREGATE	\$
						\$
	OTHER THAN UMBRELLA FORM					
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				WC STATUTORY LIMITS	OTHER
	EL EACH ACCIDENT				\$	
	EL DISEASE-POLICY LIMIT				\$	
	THE PROPRIETOR/ PARTNERS/EXECUTIVE OFFICERS ARE:				EL DISEASE-EACH EMPLOYEE	\$
	<input type="checkbox"/> INCL					
	<input type="checkbox"/> EXCL					
	OTHER					

Mine # C 10071034
File INCOMING

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS (LIMITS MAY BE SUBJECT TO DEDUCTIBLES OR RETENTIONS)
Permit Banning Loadout ACT/007/034

Mine # C 10071034
File INCOMING
Record # 0006
Doc. Date 6-13-03
Recd. Date 6-17-03

CERTIFICATE HOLDER

**Utah Dept. Of Natural Resources
Division of Oil, Gas and Mining
1594 W. North Temple
Suite 1210
Salt Lake City, UT 84114-5801**

FRANCE

[illegible]

MARSH USA INC.

BY: Alfred A. Peterfeso

MM1(9/99)

VALDAS OF 07/16/02

REPLACES LIBERTY MUTUAL INSURANCE COMPANY BOND NO. 14-000-068-0003-UT ^{BOND NO.}

Exhibit "B" - BONDING AGREEMENT
SURETY BOND

Permit Number: ACT/007/034

SURETY BOND
(NON-FEDERAL COAL)
--ooOOoo--

THIS SURETY BOND entered into by and between the undersigned **PERMITTEE**, and **SURETY**, hereby jointly and severally bind ourselves, our heirs, administrators, executors, successors and assigns unto the State of Utah, Division of Oil, Gas and Mining (**DIVISION**) in the penal sum of (\$ 350,000.00) (Surety Bond Amount) for the timely performance of reclamation responsibilities of the surface disturbance described in Exhibit "A" of this Reclamation Agreement.

This **SURETY BOND** will remain in effect until all of the **PERMITTEE's** reclamation obligation have been met and released by the **DIVISION** and is conditioned upon faithful performance of all of the requirements of the Act, the applicable rules and regulations, the approved permit and the Division.

The **SURETY** will not cancel this bond at any time for any reason, including non-payment of premium or bankruptcy of the Principal during the period of liability.

The **SURETY** and their successors and assigns, agree to guarantee the obligation and to indemnify, defend, and hold harmless the **DIVISION** from any and all expenses which the **DIVISION** may sustain as a result of the **PERMITTEE's** failure to comply with the condition(s) of the reclamation obligation.

The **SURETY** will give prompt notice to the **PERMITTEE** and to the **DIVISION** of any notice received or action alleging the insolvency or bankruptcy of the **SURETY**, or alleging any violations or regulatory requirements which could result in suspension or revocation of the **SURETY's** license.

Terms for release or adjustment of this **BOND** are as written and agreed to by the **DIVISION** and the **PERMITTEE** in the **RECLAMATION AGREEMENT** incorporated by reference herein, to which this **SURETY AGREEMENT** has been attached as Exhibit "B".

BOND NO.

REPLACES LIBERTY MUTUAL INSURANCE COMPANY BOND NO.14-000-068-0003-UT

Exhibit "B" - BONDING AGREEMENT
SURETY BOND

IN WITNESS WHEREOF, the PERMITTEE has hereunto set its signature and seal
this 8 day of JUNE, 18 2000.

CANYON FUEL COMPANY, LLC

PERMITTEE

By: [Signature]

Title: President

IN WITNESS WHEREOF, the SURETY has hereto set its signature and seal this
18TH day of MAY, 18 2000

ST. PAUL FIRE AND MARINE INSURANCE COMPANY

SURETY

By: [Signature]
JANICE H. FENNELL

Title: ATTORNEY-IN-FACT

ACCEPTED BY THE STATE OF UTAH:

[Signature] 5/9/01
Director - Division of Oil, Gas and Mining

NOTE: An Affidavit of Qualification must be completed and attached to this form for each authorized agent or officer. Where one signs by virtue of Power of Attorney for a company, such Power of Attorney must be filed with this Agreement. If the PERMITTEE is a corporation, the Agreement shall be executed by its duly authorized officer.

BOND NO.

AFFIDAVIT OF QUALIFICATION
SURETY COMPANY

--ooOOoo--

I, JANICE H. FENNELL, being first duly sworn under oath, deposes and says that he/she is the (officer or agent) ATTORNEY-IN-FACT of ST. PAUL FIRE AND MARINE INSURANCE COMPANY; and that he/she is duly authorized to execute and deliver the foregoing obligations; and that said SURETY COMPANY is authorized to execute the same and has complied in all respects with the laws of Utah in reference to becoming sole surety upon bonds, undertakings and obligations herein.

(Signed) Janice H. Fennell
Surety Company Officer - Position
JANICE H. FENNELL, ATTORNEY-IN-FACT

Subscribed and sworn to before me this 18TH day of MAY, 2000.

Heather H. King
Notary Public
HEATHER H. KING

My Commission Expires:

MAY 28, 2003.

~~ATTEST~~ WITNESS:

Loretta Jones
LORETTA JONES

STATE OF TENNESSEE)
COUNTY OF KNOX) ss:

Seaboard Surety Company
St. Paul Fire and Marine Insurance Company
St. Paul Guardian Insurance Company
St. Paul Mercury Insurance Company

United States Fidelity and Guaranty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.

Power of Attorney No. 22276

Certificate No. 619070

KNOW ALL MEN BY THESE PRESENTS: That Seaboard Surety Company is a corporation duly organized under the laws of the State of New York, and that St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company and St. Paul Mercury Insurance Company are corporations duly organized under the laws of the State of Minnesota, and that United States Fidelity and Guaranty Company is a corporation duly organized under the laws of the State of Maryland, and that Fidelity and Guaranty Insurance Company is a corporation duly organized under the laws of the State of Iowa, and that Fidelity and Guaranty Insurance Underwriters, Inc. is a corporation duly organized under the laws of the State of Wisconsin (*herein collectively called the "Companies"*), and that the Companies do hereby make, constitute and appoint

Frank A. Word, Jr., Tina Marie Foster, Heather Howard King, Fred W. Smith, III, Harold W. Cunningham, Jr.,
Debra Elaine Clark, Samuel Franklin Robinson and Donald Bruce Wake

Knoxville

Tennessee

of the City of _____, State _____, their true and lawful Attorney(s)-in-Fact, each in their separate capacity if more than one is named above, to sign its name as surety to, and to execute, seal and acknowledge any and all bonds, undertakings, contracts and other written instruments in the nature thereof on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed and sealed this 20th day of November, 2000

Seaboard Surety Company
St. Paul Fire and Marine Insurance Company
St. Paul Guardian Insurance Company
St. Paul Mercury Insurance Company

United States Fidelity and Guaranty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.



State of Maryland
City of Baltimore

John F. Phinney
JOHN F. PHINNEY, Vice President

Thomas E. Huibregtse
THOMAS E. HUIBREGTSE, Assistant Secretary

On this 20th day of November, 2000, before me, the undersigned officer, personally appeared John F. Phinney and Thomas E. Huibregtse, who acknowledged themselves to be the Vice President and Assistant Secretary, respectively, of Seaboard Surety Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, United States Fidelity and Guaranty Company, Fidelity and Guaranty Insurance Company, and Fidelity and Guaranty Insurance Underwriters, Inc.; and that the seals affixed to the foregoing instrument are the corporate seals of said Companies; and that they, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the names of the corporations by themselves as duly authorized officers.

In Witness Whereof, I hereunto set my hand and official seal.

My Commission expires the 13th day of July, 2002.



Rebecca Easley-Onokala

REBECCA EASLEY-ONOKALA, Notary Public

AFFIDAVIT OF QUALIFICATION
PERMITTEE
--ooOOoo--

I, Susan Schultz, being first duly sworn under oath, deposes and says that he/she is the (officer or agent) Officer of Canyon Fuel Co.
____; and that he/she is duly authorized to execute and deliver the foregoing obligations; and that said PERMITTEE is authorized to execute the same and has complied in all respects with the laws of Utah in reference to commitments, undertakings and obligations herein.

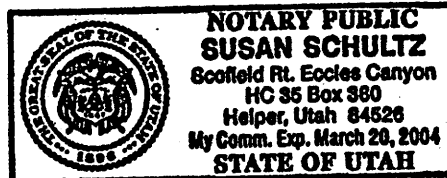
(Signed) [Signature] / President
Name - Position

Subscribed and sworn to before me this 8 day of June, 2000, 19 .

[Signature]
Notary Public

My Commission Expires:

3-20-04, 19 .



Attest:

STATE OF UT)
COUNTY OF Carbon) ss:

**AFFIDAVIT OF QUALIFICATION
DIRECTOR**

--ooOOoo--

Lowell P. Braxton, being first duly sworn under oath, deposes and says that he is the Director of the Division of Oil, Gas and Mining, Department of Natural Resources, State of Utah; and that he is duly authorized to execute and deliver the foregoing obligations; and that said DIRECTOR is authorized to execute the same by authority of law on behalf of the State of Utah.

(Signed) Lowell P. Braxton
Lowell P. Braxton, Director
Division of Oil, Gas and Mining

Subscribed and sworn to before me this 9th day of May, 2001.

Victoria A. Bailey
Notary Public

My Commission Expires:

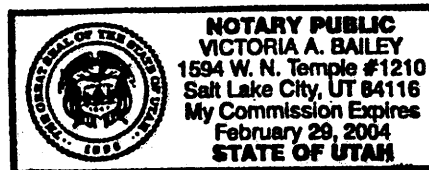
February 29, 2004.

Attest:

STATE OF Utah)

COUNTY OF Salt Lake)

) ss:
)



Replaces United Pacific Insurance Company Bond Number U2760739

Bond No. _____

Permit Number: ACT/007/034
BANNING

EXHIBIT "B"

SURETY BOND
(FEDERAL COAL)

THIS SURETY BOND entered into and by and between the undersigned PERMITTEE, and SURETY company, hereby jointly and severally bind ourselves, our heirs, administrators, executors, successors and assigns unto the State of Utah, Division of Oil, Gas and Mining (DIVISION), and the U.S. Department of Interior, Office of Surface Mining Reclamation and Enforcement (OSM) in the penal sum of Three Hundred Fifty Thousand and 00/100 (\$350,000.00) (Surety Bond Amount) for the timely performance of reclamation responsibilities of the permit area described in Exhibit "A" of this Reclamation Agreement.

This SURETY BOND will remain in effect until all of the PERMITTEE's reclamation obligation have been met and released by the DIVISION and is conditioned upon faithful performance of all of the requirements of the Act, the applicable rules and regulations, SMCRA, the approved permit and the DIVISION.

The SURETY will not cancel this bond at any time for any reason, including non-payment of premium or bankruptcy of the Principal during the period of liability.

The SURETY and their successors and assigns, agree to guarantee the obligation and to indemnify, defend, and hold harmless the DIVISION and OSM from any and all expenses which the DIVISION and OSM may sustain as a result of the PERMITTEE's failure to comply with the condition(s) of the reclamation obligation.

The SURETY will give prompt notice to the PERMITTEE and to the DIVISION and OSM of any notice or action involving insolvency or bankruptcy of the SURETY, or alleging any violations of regulatory requirements which could result in suspension or revocation of the SURETY's license in this state. In the event the Cooperative Agreement between the DIVISION and OSM is terminated, then the portion of the bond covering the Federal Lands will be payable only to the United States, Department of Interior, Office of Surface Mining.

Terms for release or adjustment of this BOND are as written and agreed to by the DIVISION and the PERMITTEE in the RECLAMATION AGREEMENT incorporated by reference herein, to which this SURETY AGREEMENT has been attached as Exhibit "B".

IN WITNESS WHEREOF, the PERMITTEE has hereunto set its signature and seal this 13th day of May, 1998.

Canyon Fuel Company, LLC

By: [Signature]
Title: President & CEO

IN WITNESS WHEREOF, the SURETY has hereunto set its signature and seal this 13th day of May, 1998.

Liberty Mutual Insurance Company

By: [Signature]
Title: Sue K. Fugate, Attorney-in-Fact

ACCEPTED BY THE STATE OF UTAH
this _____ day of _____, 19____.

Director - Division of Oil, Gas and Mining

NOTE:

An affidavit of Qualification must be completed and attached to this form for each authorized agent or officer. Where one signs by virtue of Power of Attorney for a company, such Power of Attorney must be filed with this Agreement. If the PERMITTEE is a corporation, the Agreement shall be executed by its duly authorized officer.

THIS POWER OF ATTORNEY IS NOT VALID UNLESS IT IS PRINTED ON RED BACKGROUND.

428291

This Power of Attorney limits the act of those named herein, and they have no authority to bind the Company except in the manner and to the extent herein stated.

LIBERTY MUTUAL INSURANCE COMPANY
BOSTON, MASSACHUSETTS

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS: That Liberty Mutual Insurance Company (the "Company"), a Massachusetts mutual insurance company, pursuant to and by authority of the By-law and Authorization hereinafter set forth, does hereby name, constitute and appoint, **PHILIP A. HARMON, GARY G. GOULD, PHILIP J. CHASE, LONNIE E. HOLLIS, ROBERT L. HENLEY, SUE K. FUGATE, ALL OF THE CITY OF LEXINGTON, STATE OF KENTUCKY**.....

each individually if there be more than one named, its true and lawful attorney-in-fact to make, execute, seal, acknowledge and deliver, for and on its behalf as surety and as its act and deed, any and all undertakings, bonds, recognizances and other surety obligations in the penal sum not exceeding **SEVENTY MILLION** ***** DOLLARS (\$ **70,000,000** *****) each, and the execution of such bonds or undertakings, in pursuance of these presents, shall be as binding upon the Company as if they had been duly signed by the president and attested by the secretary of the Company in their own proper persons.

That this power is made and executed pursuant to and by authority of the following By-law and Authorization:

ARTICLE XVI - Execution of Contracts: Section 5. Surety Bonds and Undertakings.

Any officer or other official of the company authorized for that purpose in writing by the chairman or the president, and subject to such limitations as the chairman or the president may prescribe, shall appoint such attorneys-in-fact, as may be necessary to act in behalf of the company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations. Such attorneys-in-fact, subject to the limitations set forth in their respective powers of attorney, shall have full power to bind the company by their signature and execution of any such instruments and to attach thereto the seal of the company. When so executed such instruments shall be as binding as if signed by the president and attested by the secretary.

By the following instrument the chairman or the president has authorized the officer or other official named therein to appoint attorneys-in-fact:

Pursuant to Article XVI, Section 5 of the By-laws, Assistant Secretary Garnet W. Elliott is hereby authorized to appoint such attorneys-in-fact as may be necessary to act in behalf of the company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations.

That the By-law and the Authorization above set forth are true copies thereof and are now in full force and effect.

IN WITNESS WHEREOF, this instrument has been subscribed by its authorized officer and the corporate seal of the said Liberty Mutual Insurance Company has been affixed thereto in Plymouth Meeting, Pennsylvania this 30th day of January, 19 98

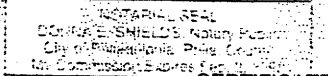
LIBERTY MUTUAL INSURANCE COMPANY

By Garnet W. Elliott
Garnet W. Elliott, Assistant Secretary

COMMONWEALTH OF PENNSYLVANIA ss
COUNTY OF MONTGOMERY

On this 30th day of January, A.D. 19 98, before me, a Notary Public, personally came the individual, known to me to be the therein described individual and officer of Liberty Mutual Insurance Company who executed the preceding instrument, and he acknowledged that he executed the same and that the seal affixed to the said preceding instrument is the corporate seal of said company; and that said corporate seal and his signature subscribed thereto was duly affixed and subscribed to the said instrument by authority and direction of the said company.

IN TESTIMONY WHEREOF, I hereunto set my hand and affix my official seal at Plymouth Meeting, PA, the day and year first above written.



Donna E. Shields
Notary Public

CERTIFICATE

I, the undersigned, Assistant Secretary of Liberty Mutual Insurance Company, do hereby certify that the original power of attorney of which the foregoing is a full, true and correct copy, is in full force and effect on the date of this certificate; and I do further certify that the officer who executed the said power of attorney was one of the officers specially authorized by the chairman or the president to appoint any attorney-in-fact as provided in Article XVI, Section 5 of the By-laws of Liberty Mutual Insurance Company.

This certificate may be signed by facsimile under and by authority of the following vote of the board of directors of Liberty Mutual Insurance Company at a meeting duly called and held on the 12th day of March, 1980.

VOTED that the facsimile or mechanically reproduced signature of any assistant secretary of the company wherever appearing upon a certified copy of any power of attorney issued by the company, shall be valid and binding upon the company with the same force and effect as though manually affixed.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the corporate seal of the said company, this 13th day of May, 19 98



[Signature]
Assistant Secretary

THIS POWER OF ATTORNEY MAY NOT BE USED TO EXECUTE ANY BOND WITH AN INCEPTION DATE AFTER December 31, 19 99

Not valid for mortgage, note, letter of credit, bank deposit, currency rate, interest rate or other financial value guarantees.

To confirm the validity of this Power of Attorney call 1-610-832-8240 between 9:00 am and 4:30 pm EST on any business day

LEGAL NOTICE

Canyon Fuel Company, LLC of Midvale, Utah, hereby announces its intent to renew its permit for the operation of the Banning Loadout under the laws of the State of Utah and the U.S. Office of Surface Mining. The currently approved permit is number C/007/034.

Canyon Fuel Company, LLC, operates the Banning Loadout a coal loading facility which is located eight (8) miles east of Wellington, Utah, on or along a Union Pacific Company right-of-way. Located in portions of Section 15, 16, and 22, Township 15 South, Range 12 East, Salt Lake Base Meridian.

A legal description of the permit boundary includes:

Township 15 S., Range 12 E., Salt Lake Base and Meridian

Section 15: Portions of W1/2
Section 16: Portions of E1/2SE1/4
Section 22: Portions of W1/2NW1/4NW1/4

A copy of the permit renewal application will be available for inspection at the following locations: Utah Division of Oil, Gas and Mining, 1594 West North Temple, Suite 1210, Salt Lake City, Utah 84114 and Carbon County Courthouse, 120 East Main Street, Price, Utah 84501

The address of the applicant is:

Canyon Fuel Company, LLC, 6955 South Union Park Center, Suite 540, Midvale, Utah 84047

Written comments or request for a hearing regarding this application must be submitted within 30 days of the last publication date of this notice, to the Utah Division of Oil, Gas and Mining, Attention Coal Regulatory Program, 1594 West North Temple, Suite 1210, Salt Lake City, Utah 84114-5801.